



*The voice of mid-size communications companies*

November 4, 2016

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**Re: *Ex Parte* Communications: *Connect America Fund*, WC Docket No. 10-90**

Dear Ms. Dortch:

On November 2, 2016, Bob Debroux of TDS Telecommunications, Ken Pfister of Great Plains Communications, and Genny Morelli and the undersigned of ITTA met with Claude Aiken of the Office of Commissioner Clyburn, and on November 3, 2016, met separately with Nick Degani of the Office of Commissioner Pai; Travis Litman of the Office of Commissioner Rosenworcel; and Amy Bender of the Office of Commissioner O’Rielly, all regarding the above-captioned proceeding.<sup>1</sup>

ITTA expressed that the number of rate-of-return carriers accepting model-based support for broadband deployment,<sup>2</sup> while exceeding the budget established by the Commission for such support,<sup>3</sup> should be viewed as an opportunity rather than a problem. The overall subscription level, and especially the dozens of carriers who accepted such support notwithstanding seeing reductions in support relative to legacy mechanisms, is testament to the success of the policies underlying the offering of model-based support for broadband deployment in rural America. Such funding will support more broadband deployment by more carriers more rapidly to unserved and underserved consumers than legacy mechanisms, subject to more concrete and defined build-out obligations than legacy mechanisms. Model-based support will be used efficiently insofar as it will fund broadband deployment to areas where there are no unsubsidized competitors, which is ensured by the challenge process that the Bureau already has completed. Furthermore, the deployment it will lead to is a predicate to the fulfillment of other universal

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<sup>1</sup> *Wireline Competition Bureau Announces Results of Rate-of-Return Carriers that Accepted Offer of Model Support*, Public Notice, DA 16-1246 (WCB Nov. 2, 2016) (*Public Notice*).

<sup>2</sup> Rate-of-return carriers had a deadline of November 1, 2016 to indicate, on a state-by-state basis, whether they elect to receive model-based support.

<sup>3</sup> See *Connect America Fund; ETC Annual Reports and Certifications; Developing a Unified Intercarrier Compensation Regime*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3112-13, para. 62 (2016) (*Rate-of-Return Reform Order*) (initially establishing a budget of up to \$150 million annually for carriers electing the model path).

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service goals, such as increased broadband adoption via the Lifeline program, or any measures to help eliminate the “homework gap.”

Thus, ITTA advocated that the Commission allocate sufficient additional funding for model-based support in order to overcome the budgetary shortfall in the *Rate-of-Return Reform Order*’s \$150 million annual allocation. Increasing the funding as ITTA advocated will help ensure that the Commission’s landmark action in establishing a path for rate-of-return carriers to accept model-based support does not become a victim of its own success.

ITTA also urged that the Commission implement the model as soon as possible, making it effective no later than January 1, 2017.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/

Michael J. Jacobs  
Vice President, Regulatory Affairs

cc: Claude Aiken  
Travis Litman  
Nicholas Degani  
Amy Bender